

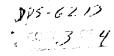


December 8, 1958

Tot

Contracting Officer, SP-1915

Subject: PROPOSED FINAL REVISED PRICE, SECTIONS A AND B



Amendment No. 2 established the tentative contract billing price of \$2,340,000 for the supplies and other work being furnished pursuant to subject contract.

Commencing 1 July 1958, supplies and work of the kind previously covered by Sections A and B of the work statement of subject contract are covered by Contracts SP-1917 and SP-1918.

Consequently, we hereby submit our final statement of costs and proposal for the final revised price, for Sections A and B of subject contract. Work under Section C is contemplated to continue, with a revised scope presently under consideration; so it is only practicable in that regard to establish a tentative billing price for all Section C work through 31 December 1958, reserving further pricing until some time after the revised scope becomes known. All work under Section C, therefore, is proposed to be the subject of its separate final price revision at a future date.

Our final statement of costs for Section A and B is submitted in Enclosure I. On the basis of such cost statement, and in consideration of the work performed, we propose a final revised price for Sections A and B in the emount of \$2,093,000.

For Section C we propose a tentative billing price, as of 31 December 1958, of \$900,000. Our statement of actual cost for Section C work, from inception through 2 November 1958, and our estimate of costs for November and December, is submitted in Enclosure II.

If the foregoing is acceptable, it is requested that an appropriate amendment be prepared, which would include the following principal points:

- 1. Final revised price for Sections A and B is \$2,093,000.
- Tentative Billing Price for Section C is \$900,000, payable upon submission of invoice 31 Becember 1958 and such other evidence as Contracting Officer may require.

Yours	very	truly,

STAT



Enclosure I

6... 14/ DP5-6213 30:4

CONTRACT SP-1915

SECTIONS A AND B

Labor	† 795,37 9
Overhead (Net Rate)	551,813
Material	430,244
Contract and Administrative Expense (Net Rate)	134,239
Total Cost	\$1,911,675
Profit	181,325
Total Revised Price - Sections A and B	\$2,093,000

Pertinent Data:

The above costs include costs recorded per books to 2 November 1958, and a purchase commitment of \$6,553.00 to Garrett Corporation, Purchase Order No. 3641.

Overhead rates used in above costs:

1957 - <u>Net Rate</u> \$2.607 08993 3.3368223 .5760	2 for Enginee 27 for Factory for C. & A.	•		
1958 - <u>Net Rate</u> \$2.7655 3.9617 .8050	for Factory	for Engineering for Factory for C. & A.		
Direct Labor Hours	1957	1958	Total	
Engineering Factory	73,483.8 1,626.2	110 ,78 0.1 2,232.6	184,263.9 <u>3,858.8</u>	
Total	75,110.0	113,012.7	188,122.7	

Enclosure II

DPS-6213

CONTRACT SP-1915

SECTION C

OF WORK THROUGH 31 DECEMBER 1958

	Recorded Costs to 2 November 1958	Estimated Costs Months of November and December 1958	Total	
Labor	\$ 369 ,68 2	\$ 75,8 00	\$445,482	
Overhead (Net Rate)	209 ,042	41,576	250,618	
Material	47,858	16,991	64,849	
Contract and Administrative	58,807	11.752	70,559	
Total Costs	\$685 ,389	\$146,119	\$831,508	
Profit 92			78,993	
Total Estimated Price			\$910,501	
Less: Reduction for conservatism in establishing a tentative billing price				
Proposed Tentative Billing Price				